

# PLANS FOR GOVERNMENT CONTROL OF ALL RAILROADS PARTLY OUTLINED BY WILSON

## Teuton Peace Terms

WANT GENERAL TREATY ON BASIS OF NO ANNEXATIONS AND NO INDEMNITIES.

(By Associated Press.) WASHINGTON, Dec. 27.—There is some apprehension concerning the sincerity of Teuton peace proposals to the Russians. The feeling is the purpose of the negotiations is simply to lead the Germans to believe the government desires peace, simultaneously gaining opportunity to strengthen the western lines.

(By Associated Press.) PETROGRAD, Dec. 26.—(Wednesday)—The Austrian foreign minister told the peace delegates today the Teutons are resolved to sign a general peace containing conditions equally just to all belligerents, without forcible annexations or indemnities, but could not bind themselves to such terms without a guarantee that Russia's allies would recognize them and carry them out honestly toward the Teutons. He said he believed the principles uttered by the Russian delegates could be made a basis for such a peace.

The Teutons, he said, shared Russia's condemnation of a continuation of a war of conquest, and added it was necessary to indicate most clearly that the Russian proposals are realizable only in the event that all belligerents obligated themselves to adhere to the terms.

He declared the central powers did not intend to forcibly annex territories seized during the war, nor to deprive nations of their political independence lost in war. The question of nationality must be solved by each government and its people in a manner established by the constitution of that government, he declared.

In the event of a mutual refusal to meet war expenditures and to pay for the damages of the war, he suggested that each belligerent bear only the expense of its subjects made prisoner and pay for damages to property of civilian subjects by deliberate violations of international law on the part of the adversary.

The Russian delegation regarded the German statement on self-definition of nations as incomplete.

They said the war could not end without a re-establishment of the violated rights of little and oppressed nationalities. Russia, they said, would insist on guarantees that their lawful rights would be protected in a general peace treaty.

(By Associated Press.) The Bolsheviks, in an effort to placate opponents, have admitted seven Social Revolutionists to the council of national commissioners, the ruling body of Russia. The Bolsheviks still retain ten members.

## LATE NEWS

3:30 Dispatches

(By Associated Press.) ROME, Dec. 27.—ELEVEN TEUTON AIRPLANES WERE FELL IN A BATTLE THAT DEVELOPED WHEN THEY ATTEMPTED TO BOMB TRAVISE, SIXTEEN MILES NORTH OF VENICE.

(By Associated Press.) NEW YORK, Dec. 27.—Railroad issues jumped forward from 5 to 15 points upon the announcement of government control. Buying continued strong and vigorous despite later recession.

(By Associated Press.) PARIS, Dec. 27.—In the week ending Saturday the French lost one steamer over and one under 1600 tons.

TOKIO, Dec. 27.—The emperor,

## EXECUTIVES OF ROADS PLEDGE CO-OPERATION

(By Associated Press.) CHICAGO, Dec. 27.—Marvin Hughitt, chairman of the board of directors of the Chicago & Northwestern railroad, said when informed of the order of President Wilson:

"We will co-operate with the president to the fullest extent."

Richard H. Ainslie, president of the Chicago & Northwestern railroad, said:

"Since the beginning of the war the railroad men of the country have co-operated with the government in every way. They will continue to do so."

Hale Holden, president of the Chicago, Burlington & Quincy railroad and a member of the railway board of the national council of defense, said:

"President Wilson has indicated the possibility of such action. I have taken at a conference with railroad men several weeks ago. I believe the president has a deep sense of his responsibility to the people and to the railroads. He realizes the difficulties of the railway heads in securing capital under present war conditions. The railroad men will co-operate with him to the fullest in solving the problems of transportation presented by the unusual conditions."

Mr. Holden added that he would leave today for Washington for a conference with Mr. McAdoo and other officials.

(By Associated Press.) SAN FRANCISCO, Cal., Dec. 27.—"Railroad men are ready to do their duty under any plan or policy that may be determined upon to achieve the purpose of the nation in this time of war," William Sproule, president of the Southern Pacific company, said in commenting on President Wilson's announcement.

## U. S. OFFICERS WIN PROMOTION

LIEUTENANT ROOSEVELT RECOMMENDED FOR CAPTAINCY BY GENERAL PERSHING.

(By Associated Press.) WASHINGTON, Dec. 27.—Lieutenant Roosevelt and one other second lieutenant of the infantry, Mahlon O. Bradley, are proposed for captaincies, and Captain Emmet W. Savage, infantry, is recommended for promotion to lieutenant colonel by General Pershing.

These three officers are the only ones in the combatant services recommended for advancement of more than one grade, but First Lieutenants H. E. Ross and A. W. Kenner of the medical corps are proposed for the rank of major. With few exceptions the advancements are to the national army.

No reason for the promotions was given by General Pershing so far as was announced by the department. The highest rank proposed is lieutenant colonel and as only promotions for general officers require congressional action, it is expected that the promotions will be approved immediately by President Wilson.

GERMAN CHILDREN BEG IN SNOW ON CHRISTMAS

GENEVA, Dec. 27.—Accounts of the German Christmas, according to news from across the frontier, state women and children openly begged in the snow-covered streets for food to appease their hunger, and riots took place in some of the towns. Only the rich enjoyed a good, but ordinary, dinner and for this they paid high prices, as much as \$50. Most of the churches in Germany were closed, owing to lack of coal.

In a speech at the opening of parliament today, pledged Japan's co-operation to her allies to the fullest extent of her ability. He said Japan's relations with the entente were extremely close.

## LARGE SALARIES OF EXECUTIVES TO BE CUT, BUT WAGES INCREASED

## NATION WILL KEEP ALL EARNINGS OVER SPECIFIED AMOUNT

(By Associated Press.)

WASHINGTON, Dec. 27.—Reduction of large salaries of railway executives and an increase of wages for workers will be among the first acts of the government when it assumes the control of all railroads Friday under the proclamation of the president.

Secretary of the Treasury McAdoo has been named director general. He will retain his place in the cabinet.

Security issues during the period of government control will bear interest of at least 4 per cent, to be made under the joint authority of the director general and the interstate commerce commission.

The president will ask congress to empower the government to purchase an unlimited quantity when he outlines his plans in his forthcoming address. He will ask appropriations of probably \$200,000,000 for an immediate supply of rolling stock.

The director general will have authority to determine whether to assume operation and control of express companies. The government will retain all railroad earnings over the specified amount.

## GUARANTEE EARNINGS AS OF 3-YEAR AVERAGE

Congress will be asked to guarantee earnings equivalent to the average net operating income of each railroad in the three-year period ending June 30, 1917. Railroad experts estimate that this will cost the government next year in the neighborhood of \$100,000,000, which can be raised in large part by increased freights if the interstate commerce commission grants the roads' application for the 15 per cent rate increase now pending. Otherwise it will be paid largely out of the general government funds.

## PATIENCE WITH RUSS COUNSELED

AMERICAN REPRESENTATIVES CAUTIONED NOT TO INTERFERE IN INTERNAL STRIFE.

(By Associated Press.) WASHINGTON, Dec. 27.—Great forbearance and patience will be exercised by the American government in dealing with the chaotic Russian situation because it is realized that German intrigue, working through the ranks of the Bolsheviks, is doing its utmost to bring about a breach between the United States and Russia.

It was authoritatively stated that American representatives in Russia, diplomatic, economic and others, will carefully avoid any interference with the internal politics of the country and will be guided in their conduct by the strictest rules of neutrality as between Russian factions. It is the purpose to permit the Russian people themselves to work out their own salvation free from any American interferences.

There still is a deep-seated conviction in administration circles that within a reasonable period of time a satisfactory and probably permanent government of democratic form will be developed from the present turmoil.

## BOLSHEVIKI IN FURTHER THREAT

DESPITE DENIAL OF AMBASSADOR REDS REPEAT CHARGES OF INTERFERENCE.

(By Associated Press.) LONDON, Dec. 27.—The Bolshevik newspapers continue to print revelations of the alleged American plot to support General Kaledines, according to a Petrograd dispatch, despite Ambassador Francis' denial that his staff interfered with Russian internal affairs or aided any faction.

Colonel Kolpashnikoff, attached to the American Red Cross mission, is still held prisoner, and has not been seen by any American officials.

(By Associated Press.) SEATTLE, Wash., Dec. 27.—Nicholas Boglovensky, Russian consul at Seattle, announces he has received a cable sent by way of India, telling of the establishment of new Russian government at Voronez, the capital of a province of the same name between Moscow and Rostov-on-the-Azov sea.

ent government of democratic form will be developed from the present turmoil.

effect a saving of a billion annually and may garner enough revenue in addition to insure holders of securities against loss.

Ten thousand dollars is the maximum being discussed as salary for railroad presidents, many of whom are now receiving from \$50,000 to \$100,000 annually.

Congress will be asked to make provision for the railroads whose pre-war earnings were abnormally low by authorizing the payment of dividends in excess of the guarantee on approval of the commerce commission.

The railroads will continue to provide for their own issues of securities, but will be compelled to obtain approval of the director general before going to the commerce commission for final sanction. The commission will decide the size and the director general will determine the interest rate.

Legislation will be recommended to congress that will specify the roads which should remain subject to all existing laws and regulations. It is believed the state railroad commissions will protest against being deprived of adjusting minor questions within their territories. Controller of the Currency Williams is mentioned as chief executive director.

## LABOR TROUBLES CAUSE OF DELAY

300,000 MORE MEN NEEDED FOR PRESSING OF SHIPPING PROGRAM.

(By Associated Press.) WASHINGTON, Dec. 27.—Rear Admiral Bowles, assistant general manager of the fleet corporation, pictured the wooden shipbuilding program as an almost complete failure before the senate investigating committee today.

(By Associated Press.) WASHINGTON, Dec. 27.—Labor troubles were blamed for much of the delay in the government's shipbuilding program by Raymond B. Stevens, vice-chairman of the shipping board, testifying in the senate commerce committee's investigation. Since the United States went to war, Mr. Stevens said, shipyards have lost a total of 536,992 working days by strikes and other disputes. This, he figured, represents the work of 29,000 men for a month. Happily, said Mr. Stevens, the situation is improving by reason of measures taken by

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## PRESIDENT'S RAILROAD MESSAGE

The president's statement follows: "I have exercised the powers over the transportation systems of the country which were granted me by the act of congress of last August because it has become imperatively necessary for me to do so. This is a war of resources no less than of men, perhaps even more than of men, and it is necessary for the complete mobilization of our resources that the transportation systems of the country should be organized and employed under a single authority and a simplified method of co-ordination which have not proved possible under private management and control. The committee of railway executives who have been co-operating with the government in this all-important matter have done the utmost that it was possible for them to do; have done it with patriotic zeal and with great ability; but there were difficulties

that they could neither escape nor neutralize. Complete unity of administration in the present circumstances involves upon occasion and at many points a serious dislocation of earnings, and the committee was, of course, without power or authority to rearrange charges or effect proper compensations and adjustments of earnings. Several roads which were willingly and with admirable public spirit accepting the orders of the committee have already suffered from these circumstances and should not be required to suffer further. In mere fairness to them the full authority of the government must be substituted. The government itself will then begin an immense increase of efficiency in the conduct of the war and of the innumerable activities upon which its successful conduct depends.

The public interest must be first

served, and, in addition, the financial interests of the government and the financial interests of the railways must be brought under a common direction. The financial operations of the railways need not then interfere with the borrowings of the government, and they themselves can be conducted at a greater advantage. Investors in railway securities may rest assured that their rights and interests will be as scrupulously looked after by the government as they could by the directors of the several railway systems.

"Immediately upon the re-assembling of congress I shall recommend that these definite guarantees be given: First, of course, that the railway properties will be maintained during the period of federal control in as good repair and as com-

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## PROCLAMATION OF PRESIDENT SWEEPING ONE

President Wilson's proclamation taking over the control of railroads in the United States, excepting electric passenger roads and so-called interurban lines, follows in part:

"Now, therefore, I, Woodrow Wilson, president of the United States, under and by virtue of the powers vested in me by the foregoing resolutions and statute, and by virtue of all other powers thereto me enabling, do hereby, through Newton D. Baker, secretary of war, take possession and assume control at 12 o'clock noon on the 28th day of December, 1917, of each and every system of transportation and the appurtenances thereof located wholly or in part within the boundaries of the continental United States and consisting of railroads, and owned or controlled systems of coastwise and inland transportation, engaged in general transportation, whether operated by steam or by electric power, including also terminals, terminal companies and terminal associations, sleeping and parlor cars, private cars, and private car lines, elevators, warehouses, telegraph and telephone lines and all other equipment and appurtenances commonly used upon or operated as a part of such rail or combined rail and water systems of transportation to be utilized for the transfer and transportation of troops, war material and equipment, to the exclusion so far as may be necessary of all other traffic thereon; and that so far as such exclusive use be not necessary or desirable, such systems of transportation be operated and utilized in the performance of such other services as the national interest may require and of the usual and ordinary business and duties of common carriers."

## ROADS OF CANADA GET RATE RAISE

(By Associated Press.) OTTAWA, Dec. 27.—A decision handed down yesterday by the board of railway commissioners provides for a 15 per cent increase in passenger rates in all parts of Canada with the exception of British Columbia, where the maximum rate is now 3 cents per mile.

The judgment also permits, subject to the limitations of the Crow's Nest agreement and certain specific limitations, an increase in freight rates of approximately 10 per cent in the west and 15 per cent in the east. The Crow's Nest agreement was made by the Canadian Pacific railway with the government and by its provisions rates on a large number of commodities are reduced.

The decision points out that "there can be no question, in view of actual results, that the roads require greater revenue and must have it if proper efficiency is to be maintained and the demands of the country for transportation at all adequately met."

YANKEES GET BANDITS.

(By Associated Press.) MARFA, Tex., Dec. 27.—Colonel Langhorne's troops overtook the fleeing Mexican bandits on the Mexican side of the Rio Grande and killed ten and wounded a number. One American soldier was wounded, but will recover.

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TODAY AND A YEAR AGO.  
\*\*\*\*\*  
Official readings of the thermometer by the United States observer at Tonopah.  
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1917 1916  
5 a. m. 38 8  
9 a. m. 46 10  
12 noon 50 14  
3 p. m. 51 17  
Maximum Dec. 26 46 15  
Minimum Dec. 26 32 6  
Relative humidity at 3 p. m. today, 46 per cent.  
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## Lull On All War Fronts

GERMANY ARRESTS 300 MEMBERS OF MINORITY SOCIALIST PARTY.

(By Associated Press.) LONDON, Dec. 27.—A Zurich dispatch says the German military authorities arrested 300 members of the minority Socialist party Monday.

Military operations were confined today generally to the Italian front. Admiral Sir Rosslyn Wemyss has succeeded Sir John Jellicoe as the British first sea lord.

The British lost in the past week eleven merchantment of over 1600 tons and one under that tonnage.

The dispatch said the action followed arrests recently at Cologne and Karlsruhe, regarding which there had been no previous advices. The minority Socialists comprise a strong faction which refused to follow the lead of Philip Scheidemann and others in their virtually unqualified support of the government.

(By Associated Press.) Except on the Northern Italy front, the military operations continue far below normal. In France, where snow has fallen along the entire front, only bombardments and small raiding operations are taking place.

West of the Brenta river in the Italian highlands the Italians on Christmas day continued their counter-attacks upon the Austro-Germans which previously had succeeded in making gains on Col del Dosso and Monte de Val Bella. The battle raged throughout the morning with great violence and the Italians wrested several of their former positions from the enemy, but, owing to renewed onslaughts by the Teutonic allied forces, they were again compelled to give ground.

The Berlin war office admits that the Italians threw heavy counter-attacks against the invaders on the Col del Rosse and neighboring sectors, but asserts that all of them broke down under heavy losses.

The situation surrounding the peace parleys between the Austro-Germans and the Russians is still clouded, owing to lack of details being permitted to come through. At last accounts the Germans had not only failed to return an answer to the demands made by the Bolshevik delegates, but had requested that the negotiations be extended for virtually another month. Meantime a German commission has started for Petrograd from Berlin in an endeavor to restore relations between Germany and Russia and also to reach a settlement with the Russians for an exchange of civilian and incapacitated war prisoners.

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